

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12749**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12750**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12751**

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**In the Matter of**

**COMMONWEALTH  
EQUITY SERVICES, LLP  
d/b/a COMMONWEALTH  
FINANCIAL NETWORK,**

**Respondent.**

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**In the Matter of**

**DETWILER, MITCHELL,  
FENTON & GRAVES, INC.,**

**Respondent.**

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**In the Matter of**

**JAMES X. MCCARTY,**

**Respondent.**

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**PROPOSED PLAN OF DISTRIBUTION**

1. *Purpose and Background.* This Proposed Plan of Distribution (the “Plan”) provides for the distribution of disgorgement and civil monetary penalties collected by the Securities and Exchange Commission to investors defrauded by Bradford C. Bleidt (“Bleidt”), a former registered representative of Commonwealth Equities, LLP d/b/a Commonwealth Financial Network (“Commonwealth”), Detwiler, Mitchell, Fenton & Graves, Inc. (“DMFG”), and Winslow, Evans and Crocker, Inc. (“Winslow”). The Commission has filed three administrative proceedings and one civil action stemming from the misconduct here. *Commonwealth Equities, LLP d/b/a Commonwealth Financial Network*, Exchange Act Rel. No. 56362 (Sept. 6, 2007); *Detwiler, Mitchell, Fenton & Graves, Inc.*, Exchange Act Rel. No. 56363 (Sept. 6, 2007); *James X. McCarty*, Exchange Act Rel. No. 56364 (Sept. 6, 2007); and *SEC v. Bradford C. Bleidt, et al.*, Civil Action No. CA-04-12415-NG (D. Mass.).

The Commission’s Orders found that from 1991 until November 2004, Bleidt misappropriated over \$31 million from over 100 victims, many of whom had brokerage accounts at one or more of the three broker-dealers. To perpetrate these misappropriations, he asked his customers to request full or partial liquidation of their existing brokerage accounts, and then to write a personal check (or in some cases, send a wire) for the amount liquidated to his investment advisory company, Allocation Plus Asset Management Company, Inc. (“APAM”). Bleidt falsely represented to these customers that their money would continue to be invested in securities when, in fact, he misappropriated their funds. Bleidt then deposited these funds into an APAM bank account, of which he had sole control. Bleidt used funds from this APAM account for various business enterprises, including a related financial planning firm he also owned, Financial Perspectives Planning Services, Inc. (“FPPS”), and for personal expenses. In some instances during the final years of the fraud, Bleidt induced prospective and current investors to give him funds to open or add to an APAM account and simply misappropriated the funds.

The Orders further found that Commonwealth, DMFG and former on-site supervisor James X. McCarty (“McCarty,” and collectively, the “Respondents”) failed to reasonably supervise Bleidt for purposes of Section 15(b)(4)(E) of the Securities Exchange Act of 1934 in that Commonwealth failed to establish procedures and systems that would reasonably be expected to prevent and detect such violations by Bleidt, DMFG failed to implement existing procedures, and McCarty failed to adequately investigate red flags of Bleidt’s fraud and failed to follow Commonwealth’s and DMFG’s written supervisory procedures.

The Orders provide that Commonwealth and DMFG be censured and that McCarty be barred from acting in a supervisory capacity with any broker, dealer, or investment adviser. In addition, the Orders impose a \$250,000 penalty against both Commonwealth and DMFG and a \$50,000 penalty against McCarty to be paid in an initial payment of \$20,001 and four installments of \$7,500 to be paid 90, 180, 270 and 360 days, respectively, from the date of the Orders (September 6, 2007). The Commission also ordered each of the Respondents to pay disgorgement of one dollar and









